



Thomas A. Schatz

President

January 29, 2008

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative,

Recent actions by the Federal Reserve and the White House send a distinct message: the American economy needs encouragement. The stimulus package, H.R. 5140, which you will consider today, offers short-term solutions that will not do enough to kick start the economy. Unfortunately, because the stimulus package is being considered under suspension of the rules of the House, there will be no opportunity to amend H.R. 5140. It is likely the Senate will attempt to add provisions that will also do little to encourage long-term job growth and could jeopardize the bill's final passage.

The Council for Citizens Against Government Waste (CCAGW) urges you to co-sponsor H.R. 5109, the Economic Growth Act of 2008. The bill provides a more durable set of proposals and would encourage economic growth from the area of the economy that matters most, the private sector.

The Economic Growth Act consists of four main provisions, which are:

- Full and immediate expensing for businesses for the cost of assets they purchase in the year they buy the assets;
- Significantly reducing the top corporate tax rate from 35 percent to 25 percent, aligning it with the average rate found in the European Union, to make U.S. businesses more competitive internationally;
- Ending the capital gains tax on inflation so that when calculating gains on assets, inflation is taken into consideration, reducing the amount of gain that is taxable; and,
- Simplifying the capital gains rate structure so that businesses can also benefit from a top rate of 15 percent, similar to what individuals pay, instead of the current top rate of 35 percent.

H.R. 5109 provides real solutions to the economic problems that consistently hinder growth. I urge you to become a co-sponsor of H.R. 5109 and to support its passage.

Sincerely,